

### **REMARKS/ARGUMENTS**

This Amendment is responsive to the Office Action mailed on August 7, 2007.

On October 25, 2007 a telephone interview was held between Examiners Zand and Bayou and the Applicant's Representatives. The Representatives thank the Examiners for their time and careful consideration of the arguments made by the Representatives. The Representatives further thank the Examiners for their comment on the arguments and the claims.

In this amendment, the limitations in dependent claim 9 are incorporated into independent claim 1 and claim 9 is canceled. Claim 1 is also amended to incorporate suggestions made by the Examiners. Amended claim 1 does not raise new issues requiring further search or consideration, because it is essentially the same as previously submitted claim 9. The minor amendment at the end of claim 1 was not necessitated by the prior art, and was at the request of the Examiners. It is the Applicant's understanding that the minor amendment does not raise new issues requiring further search or consideration.

Dependent claim 10 is amended to depend from independent claim 1. Amended claim 10 does not raise new issues requiring further search or consideration, because claim 10 previously depended from claim 9, which has now been incorporated into claim 1.

Independent claims 19, 28, and 32 have been amended.

New dependent claims 33 and 34 have been added.

Claims 1-8 and 10-34 are pending and subject to examination on the merits.

### **Rejection Under 35 USC § 102**

Claims 1-8 and 10-32 are rejected as being anticipated by Hodgson et al. (U.S. Patent Pub. No. 2002/0123972). The Examiner alleges that Hodgson et al. teaches each and every limitation in claims 1-8 and 10-32. This rejection is traversed.

Anticipation has not been established because each and every limitation is not taught by Hodgson et al. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference."

*Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). MPEP 2131.

A. Independent Claim 1

Independent claim 1 is not anticipated because each and every limitation set forth in the claim is not taught by the reference. Hodgson et al. does not disclose an Access Control Server (ACS) that is "configured to request a passcode corresponding to the PAN." The Examiner alleges that this limitation is taught in Hodgson et al. P[0062] and fig. 1-1A. The Examiner further alleges that the STMS(30) as disclosed in the cited passages is equivalent to the ACS. (Office Action Page 2). The STMS as disclosed in Hodgson et al. does not request a passcode. The request for a passcode is generated by the merchant web site in combination with the PIN/PAD. (Hodgson P[0065-0075], Fig 1A arrows 1 and 2). This entire process occurs without any interaction with the STMS.

Furthermore, as noted above, the limitations in dependent claim 9 are now present in independent claim 1. Claim 1 recites a front end Hardware Security Module (HSM) "configured to receive the passcode in an encrypted format." The front end HSM as disclosed in Hodgson et al. is the PIN/PAD (Hodgson Fig. 1A (16)). The PIN/PAD does not ever receive the passcode in an encrypted format. Rather, it receives the passcode in a clear format, and its function is to encrypt the passcode. (Hodgson P[0072-0073]).

Therefore, claim 1 is not anticipated by Hodgson et al. and furthermore claims 2-8, 10-15, and 33 are not anticipated by virtue of their dependence from claim 1.

There is also no suggestion in Hodgson et al. to arrive at claim 1, so Hodgson et al. does not obviate claim 1.

B. Independent Claim 16

Independent claim 16 is not anticipated because each and every limitation set forth in the claim is not taught by the reference. The argument as to claim 16 is similar to claim 1, and claim 16 is not anticipated by Hodgson et al.

Furthermore, claim 16 adds the limitation of a front end HSM configured to "decrypt the PIN to recover a clear form of the PIN." The PIN/PAD, as discussed above, never receives an encrypted PIN, and as such, it is not possible for it to decrypt a PIN. The Examiner cites Hodgson et al. P[0030] as disclosing this limitation, however this discloses the STMS, not the front end HSM, decrypting a FP (financial payment) block, resulting in a still encrypted PIN. The decryption / encryption referred to in the reference does not occur in the front end HSM.

Therefore, claim 16 is not anticipated by Hodgson et al. for the same reasons as claim 1 and furthermore because of the additional limitations it adds. Additionally, claim 17 is not anticipated by virtue of its dependence from claim 16.

C. Independent Claim 18

Independent claim 18 is not anticipated because each and every limitation set forth in the claim is not taught by the reference. Claim 18 is similar to claims 1 and 16, and the arguments presented above in claims 1 and 16 apply to claim 18.

Furthermore, claim 18 adds the limitation of an ACS configured to request a PIN, "the request for the PIN including an instruction to provide the PIN to a destination address." In addition to the fact that Hodgson et al. does not disclose an ACS requesting a PIN, it also does not disclose an instruction to provide the PIN to a destination address. The examiner cites Hodgson et al. P[0062] and P[0087] as disclosing this limitation. Hodgson et al. P[0062] relates to the STMS determining which POS processor the transaction should be sent to. This occurs well after the request for a PIN has been generated by the merchant web site. Furthermore, Hodgson does not disclose a destination address being included in the request for a PIN. The examiner cites Hodgson et al. P[0087] as disclosing an address, but this address is an e-mail address where a message confirming a transaction will be sent. This address is completely unrelated to a destination address for the PIN.

Therefore, claim 18 is not anticipated by Hodgson et al. for the same reasons as claims 1 and 16 and furthermore because of the additional limitation it adds. Additionally, claim 34 is not anticipated by virtue of its dependence from claim 18.

D. Independent Claims 19, 28, and 32

Amended independent claims 19, 28, and 32 are not anticipated because each and every limitation set forth in the claims is not taught by the reference. As has been discussed previously with respect to claim 1, Hodgson et al. does not disclose receiving an encrypted PIN in a front end Hardware Security Module (HSM). Therefore claims 19, 28, and 32, and furthermore claims 20-27, 29-31 by virtue of their dependence from claims 19 and 28, are not anticipated by Hodgson et al.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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